

or an equivalent plan approved by the State Forester.

“(ii) COMPLIANCE WITH FOREST STEWARDSHIP PLAN.—Clause (i) shall not apply if, during the 10-year period under paragraph (1), the qualified heir fails to comply with such forest stewardship plan or equivalent plan.”.

(e) CERTAIN CONSERVATION TRANSACTIONS NOT TREATED AS DISPOSITIONS.—Paragraph (8) of section 2032A(c) is amended to read as follows:

“(8) CERTAIN CONSERVATION TRANSACTIONS NOT TREATED AS DISPOSITIONS.—

“(A) QUALIFIED CONSERVATION CONTRIBUTIONS.—A qualified conservation contribution by gift or otherwise shall not be deemed a disposition under subsection (c)(1)(A).

“(B) QUALIFIED CONSERVATION EASEMENT SOLD TO QUALIFIED ORGANIZATION.—A sale of a qualified conservation easement to a qualified organization shall not be deemed a disposition under subsection (c)(1)(A).

“(C) DEFINITIONS.—For purposes of this paragraph—

“(i) the terms ‘qualified conservation contribution’ and ‘qualified organization’ have the meanings given such terms by section 170(h), and

“(ii) the term ‘qualified conservation easement’ has the meaning given such term by section 2031(c)(8).”.

(f) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 is amended by inserting after the item relating to section 2033 the following new item:

“Sec. 2033A. Exclusion of certain farmland so long as use as farmland continues.”.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after the date of the enactment of this Act.

**SEC. 306. INCREASE IN LIMITATIONS ON THE AMOUNT EXCLUDED FROM THE GROSS ESTATE WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.**

(a) INCREASE IN DOLLAR LIMITATION ON EXCLUSION.—Paragraph (3) of section 2031(c) is amended by striking “the exclusion limitation is” and all that follows and inserting “the exclusion limitation is \$5,000,000.”.

(b) INCREASE IN PERCENTAGE OF VALUE OF LAND WHICH IS EXCLUDABLE.—Paragraph (2) of section 2031(c) is amended—

(1) by striking “40 percent” and inserting “50 percent”, and

(2) by striking “2 percentage points” and inserting “2.5 percentage points”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after the date of the enactment of this Act.

**SEC. 307. MODIFICATION OF RULES FOR VALUE OF CERTAIN FARM, ETC., REAL PROPERTY.**

(a) IN GENERAL.—Paragraph (2) of section 2032A(a) is amended by striking “\$750,000” and inserting “\$3,500,000”.

(b) INFLATION ADJUSTMENT.—Paragraph (3) of section 2032A(a) is amended—

(1) by striking “1998” and inserting “2010”,

(2) by striking “\$750,000” and inserting “\$3,500,000” in subparagraph (A), and

(3) by striking “calendar year 1997” and inserting “calendar year 2009” in subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2009.

**SEC. 308. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR GRANTOR RETAINED ANNUITY TRUSTS.**

(a) IN GENERAL.—Subsection (b) of section 2702 is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respec-

tively, and by moving such subparagraphs (as so redesignated) 2 ems to the right;

(2) by striking “For purposes of” and inserting the following:

“(1) IN GENERAL.—For purposes of”;

(3) by striking “paragraph (1) or (2)” in paragraph (1)(C) (as so redesignated) and inserting “subparagraph (A) or (B)”;

(4) by adding at the end the following new paragraph:

“(2) ADDITIONAL REQUIREMENTS WITH RESPECT TO GRANTOR RETAINED ANNUITIES.—For purposes of subsection (a), in the case of an interest described in paragraph (1)(A) (determined without regard to this paragraph) which is retained by the transferor, such interest shall be treated as described in such paragraph only if—

“(A) the right to receive the fixed amounts referred to in such paragraph is for a term of not less than 10 years,

“(B) such fixed amounts, when determined on an annual basis, do not decrease relative to any prior year during the first 10 years of the term referred to in subparagraph (A), and

“(C) the remainder interest has a value greater than zero determined as of the time of the transfer.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made after the date of the enactment of this Act.

**SEC. 309. CONSISTENT BASIS REPORTING BETWEEN ESTATE AND PERSON ACQUIRING PROPERTY FROM DECEDENT.**

(a) CONSISTENT USE OF BASIS.—

(1) PROPERTY ACQUIRED FROM A DECEDENT.—Section 1014 is amended by adding at the end the following new subsection:

“(f) BASIS MUST BE CONSISTENT WITH ESTATE TAX VALUE.—

“(1) IN GENERAL.—For purposes of this section, the value used to determine the basis of any interest in property in the hands of the person acquiring such property shall not exceed the value of such interest as finally determined for purposes of chapter 11.

“(2) SPECIAL RULE WHERE NO FINAL DETERMINATION.—In any case in which the value of property has not been finally determined under chapter 11 and there has been a statement furnished under section 6035(a), the value used to determine the basis of any interest in property in the hands of the person acquiring such property shall not exceed the amount reported on the statement furnished under section 6035(a).

“(3) REGULATIONS.—The Secretary may by regulations provide exceptions to the application of this subsection.”.

(2) PROPERTY ACQUIRED BY GIFTS AND TRANSFERS IN TRUST.—Section 1015 is amended by adding at the end the following new subsection:

“(f) BASIS MUST BE CONSISTENT WITH GIFT TAX VALUE.—

“(1) IN GENERAL.—For purposes of this section, the fair market value of any interest in property at the time of the gift of that interest shall not exceed the value of such interest as finally determined for purposes of chapter 12.

“(2) SPECIAL RULE WHERE NO FINAL DETERMINATION.—In any case in which the value of property has not been finally determined under chapter 12 and there has been a statement furnished under section 6035(b), the fair market value of any interest in property at the time of the gift of that interest shall not exceed the amount reported on the statement furnished under section 6035(b).

“(3) REGULATIONS.—The Secretary may by regulations provide exceptions to the application of this subsection.”.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by in-

serting after section 6034A the following new section:

**“SEC. 6035. BASIS INFORMATION TO PERSONS ACQUIRING PROPERTY FROM DECEDENT OR BY GIFT.**

“(a) INFORMATION WITH RESPECT TO PROPERTY ACQUIRED FROM DECEDENTS.—

“(1) IN GENERAL.—The executor of any estate required to file a return under section 6018(a) shall furnish to the Secretary and to each person acquiring any interest in property included in the decedent’s gross estate for Federal estate tax purposes a statement identifying the value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

“(2) STATEMENTS BY BENEFICIARIES.—Each person required to file a return under section 6018(b) shall furnish to the Secretary and to each other person who holds a legal or beneficial interest in the property to which such return relates a statement identifying the information described in paragraph (1).

“(3) TIME FOR FURNISHING STATEMENT.—

“(A) IN GENERAL.—Each statement required to be furnished under paragraph (1) or (2) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of—

“(i) the date which is 30 days after the date on which the return under section 6018 was required to be filed (including extensions, if any), or

“(ii) the date which is 30 days after the date such return is filed.

“(B) ADJUSTMENTS.—In any case in which there is an adjustment to the information required to be included on a statement filed under paragraph (1) or (2) after such statement has been filed, a supplemental statement under such paragraph shall be filed not later than the date which is 30 days after such adjustment is made.

“(b) INFORMATION WITH RESPECT TO PROPERTY ACQUIRED BY GIFT.—

“(1) IN GENERAL.—Each person making a transfer by gift who is required to file a return under section 6019 with respect to such transfer shall furnish to the Secretary and to each person acquiring any interest in property by reason of such transfer a statement identifying the fair market value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

“(2) TIME FOR FURNISHING STATEMENT.—

“(A) IN GENERAL.—Each statement required to be furnished under paragraph (1) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of—

“(i) the date which is 30 days after the date on which the return under section 6019 was required to be filed (including extensions, if any), or

“(ii) the date which is 30 days after the date such return is filed.

“(B) ADJUSTMENTS.—In any case in which there is an adjustment to the information required to be included on a statement filed under paragraph (1) after such statement has been filed, a supplemental statement under such paragraph shall be filed not later than the date which is 30 days after such adjustment is made.

“(c) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out this section, including regulations relating to—

“(1) applying this section to property with regard to which no estate or gift tax return is required to be filed, and

“(2) situations in which the surviving joint tenant or other recipient may have better information than the executor regarding the basis or fair market value of the property.”.